



## RESOLUTION

### AUTHORIZING THE ISSUANCE OF REQUEST FOR PROPOSALS TO RE-DIRECT COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS OF PRIOR YEARS

WHEREAS, Section 1-8.3(a) of the Revised Ordinances of Honolulu 1990, as amended (Revised Ordinances), requires that the Council of the City and County of Honolulu review and approve, by resolution, any Consolidated Plan, or any amendments thereto, relating to Community Planning and Development (CPD) programs of the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the Administration anticipates the City Council's adoption of Resolution 13-251, CD1 approving the City and County of Honolulu's (City) proposed amended Consolidated Plan for Program Years 2011 – 2015; and

WHEREAS, the amended Consolidated Plan for Program Years 2011 – 2015 provides for the Administration to utilize a list of alternate projects in the instance where approved non-profit projects are delayed, canceled, performed at lower cost than the budgeted amount, or otherwise prove to be not feasible for funding; and

WHEREAS, the amended Consolidated Plan for Program Years 2011 – 2015, as modified by Resolution 13-251, CD1 further provides for the Administration, subject to review and approval by the City Council, to re-direct funds in the event that the alternate list of projects is exhausted and/or it is determined that the projects on the alternate list are not feasible for funding in a timely manner or other issues are encountered, which will jeopardize current and/or future HUD entitlement programs funding; and

WHEREAS, the Administration identified \$8 million of CDBG funds awarded to non-profit projects that are delayed, and will jeopardize the City's future funding of HUD entitlement programs, unless spent by May 2, 2014; and

WHEREAS, on May 2, 2014 the Honolulu Regional HUD Office will measure the City's balance of CDBG funds to test compliance with the draw-down requirements; and

WHEREAS, the CDBG program requires expenditure of the entire \$8 million to achieve compliance with HUD regulations; and

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## RESOLUTION

WHEREAS, a property acquisition project, that fulfills the CDBG National Objective of principally benefiting low and moderate income persons, provides the greatest likelihood of timely expenditure to achievement compliance with HUD regulations; and

WHEREAS, a proposed Request for Proposals soliciting property acquisition projects that would fulfill the targeted CDBG National Objective is attached hereto as Exhibit A; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the Department of Community Services is authorized to issue the Request for Proposals, as a first step towards re-directing CDBG funds of prior years to an eligible property acquisition project; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Department of Community Services and the Department of Budget and Fiscal Services.

INTRODUCED BY:

*Sam H. Kamehaha (BR)*

DATE OF INTRODUCTION:

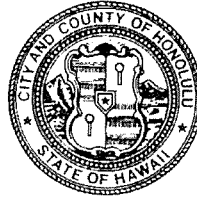
**NOV 27 2013**

Honolulu, Hawaii

Councilmembers

Request For Proposals No. 2014-Acquisition  
**COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) PROGRAM**

Fiscal Year 2014 (July 1, 2013 - June 30, 2014)



Offered by:

City and County of Honolulu  
Department of Community Services

KIRK CALDWELL, MAYOR  
CITY AND COUNTY OF HONOLULU

PAMELA A. WITTY-OAKLAND, DIRECTOR  
Department of Community Services

December \_\_\_\_, 2013

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Pamela A. Witty-Oakland, Director

**Request for Proposals  
Community Development Block Grant (CDBG) Program**

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**Request for Proposals (RFP)**  
**Community Development Block Grant (CDBG) Program**  
**Fiscal Year 2014 (July 1, 2013 - June 30, 2014)**

The City and County of Honolulu, through its Department of Community Services ("City"), requests proposals (hereinafter "applications") from private nonprofit agencies or City agencies that are seeking federal CDBG funds exclusively for the acquisition of real property for use as a public facility or for affordable housing or economic development projects.

<b>SELECTION PROCESS TIMELINE</b>
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<u>Date</u>	<u>Activity</u>
_____, December ___, 2013	RFP Issued.
_____, December ___, 2013 - Friday, January ___, 2014	Question Period.  Questions about the RFP and/or the CDBG program may be directed to (808) 768-7748 or <a href="mailto:jyokota@honolulu.gov">jyokota@honolulu.gov</a> .  Inquiries received after _____ will not be acknowledged.
_____, December ___, 2013 9:00 a.m.	Informational Meeting.  Department of Community Services 715 South King Street, 2 <sup>nd</sup> Floor Conference Room Honolulu, Hawaii
Friday, January ___, 2014 4:00 p.m.	Submission Deadline.  All proposals must be received by the City's Purchasing Division located at:  Honolulu Hale 530 South King Street, Room 115 Honolulu, Hawaii

Applications will be processed and reviewed for eligibility and feasibility by City staff. Those that are not disqualified will be evaluated and scored based on the selection criteria described herein. After the selection process is completed, the City will prepare an amendment to its Action Plan and submit it for approval to the U.S. Department of Housing and Urban Development (HUD).

Applicants can expect decision letters by February \_\_\_, 2014. A list of projects proposed for funding will be published in the Honolulu Star-Advertiser during February 2014.

An award of CDBG funds does not authorize the implementation of the project or the accrual of expenses. Funds can only be expended after the City issues a Notice to Proceed. No project costs incurred prior to the issuance of a Notice to Proceed will be eligible for reimbursement.

Successful applicants may expect to start expending their CDBG funds during the first quarter of 2014. However, projects that have not secured environmental clearance may experience delays in the release of funds.

### CDBG PROGRAM SUMMARY

The Community Development Block Grant (CDBG) program was created by the Housing and Community Development Act of 1974 (Public Law 93-383). The CDBG program gives communities the opportunity to develop “viable urban communities, by providing decent housing and suitable living environments and expanding economic opportunities principally for persons of low- and moderate-income.”

**FUNDING.** The City anticipates awarding \$8 million in CDBG funds under this RFP. The funds are not part of the City’s fiscal year 2014 CDBG formula allocation, but are funds received in prior years, which were awarded to projects which were unable to expend the funds in a timely manner and now must be reallocated. **The availability of funding is subject to the adoption of a Resolution by the City Council of the City and County of Honolulu, authorizing the reprogramming of the foregoing funds. The availability of funding is also subject to the adoption of an amendment to the City’s Consolidated Plan to allow greater flexibility in reallocating existing CDBG funding commitments and in selecting new projects for funding.**

An additional \$6.5 million from the City’s Affordable Housing Fund (AHF) will also be available, if CDBG funds provided under this RFP are insufficient to complete the project. In general, AHF funds must be used to provide and maintain affordable housing for persons earning less than 50 percent of the median household income for the City and County of Honolulu. Projects which receive AHF funds must remain affordable in perpetuity. (Section 6-63.2, Revised Ordinance of Honolulu.) Funds for this activity are appropriated under the Housing Partnership Program line item of the City’s Fiscal Year 2014 Capital Improvement Projects budget.

**NOTE: CDBG FUNDS MAY ONLY BE USED FOR THE ACQUISITION OF REAL PROPERTY.** See the Eligible Activities section (p. 3) for additional information.

### ELIGIBLE PROJECTS

In order to be eligible for CDBG funding, a project must, at a minimum:

1. take place in and exclusively benefit the people of the City and County of Honolulu;
2. be undertaken by an eligible applicant;
3. be an eligible activity;
4. meet a national objective; and
5. comply with all applicable CDBG and City program rules and regulations.

### ELIGIBLE APPLICANTS

There are only two categories of eligible applicants:

- Private Nonprofit Agencies - organizations that are chartered or otherwise authorized to do business in the State of Hawaii for charitable purposes, that have been designated 501(c)(3) tax-exempt organizations by the Internal Revenue Service, and that are otherwise eligible to receive grants under the Revised Ordinances of Honolulu, Chapter 6, Article 29.
- City Agencies - agencies of the City and County of Honolulu.

NOTE: private individuals and for-profit entities may not apply for funding under this RFP.

### ELIGIBLE ACTIVITIES

Eligible activities covered by this RFP are limited as follows:

- CDBG funds may be used only for the acquisition of real property for use as public facilities or for affordable housing or economic development projects. CDBG funds may also be used to pay for the cost associated with such acquisition including, but not limited to, appraisals, title and escrow services, inspections, and legal expenses. Affordable housing projects may include, but are not limited to, acquisition and rehabilitation of single room occupancy projects to support the City's Housing First Initiative.
- AHF funds may be used for the acquisition and/or renovation of affordable housing projects, or new construction of affordable housing, subject to the requirements of the AHF.

NOTE: while new construction of an affordable housing project is generally not an eligible CDBG activity, agencies applying for CDBG funds to acquire real property for a housing project may also apply for AHF funds to assist in construction or renovation costs. The City will not accept proposals requesting AHF funds only.

INELIGIBLE ACTIVITIES (24 CFR 570.207). Activities that are generally ineligible for CDBG funding include, but are not limited to:

- Facilities for the general conduct of government
- Purchase of equipment
- Operating and maintenance expenses
- New housing construction unless carried out by a Community-Based Development Organization (CBDO)

SPECIAL RULES FOR FAITH-BASED ORGANIZATIONS (24 CFR 570.207(j)). Faith-based organizations may apply for funding. However, the City, at its sole discretion and *based solely on the project descriptions that the Agency provides in the funding application*, may disqualify projects that appear to request funds for "inherently religious activities, such as worship, religious instruction, or proselytization" or that otherwise appear to violate 24 CFR 570.200(j).

For acquisition, construction or rehabilitation projects, CDBG funds may be used only to the extent that those structures are used for conducting CDBG-eligible activities. Where a structure is used for both eligible and inherently religious activities, funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the CDBG cost accounting requirements.

Sanctuaries, chapels, or other rooms that a congregation uses as its principal place of worship are ineligible for CDBG-funded improvements.

SPECIAL ACTIVITIES FOR COMMUNITY-BASED DEVELOPMENT ORGANIZATIONS (CBDOs). In addition to the activities listed above, agencies that are certified CBDOs may undertake special activities such as:

- Neighborhood revitalization projects, which include activities of sufficient size and scope to prevent the decline of a specific geographic location on Oahu (the location may not include the entire island of Oahu), designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation.
- Community economic development projects, which include activities that increase economic opportunity, principally for persons of low- and moderate-income, or that stimulate or retain businesses or permanent jobs, including projects that include one or more such activities that are clearly needed to address a lack of affordable housing accessible to existing or planned jobs.
- Energy conservation projects.
- New housing construction.

Nonprofit agencies requesting CDBG funds to undertake special CBDO activities must be certified by the City. In order to apply for CDBG funding for CBDO activities, agencies must already be certified at the time their CDBG application is submitted.

### CDBG NATIONAL OBJECTIVE

All CDBG-assisted projects must achieve one of the following CDBG national objectives:

- 1) principally or solely benefit low- and moderate-income persons; or
- 2) aid in the prevention or elimination of slum or blight

**PRINCIPALLY BENEFITING LOW- AND MODERATE-INCOME PERSONS.** In the CDBG program, a low- and moderate-income person is defined as a member of a family earning 80 percent (80%) or less of Honolulu's median family income. The income limits for low- and moderate-income families for 2013 as established by HUD are:

Income Limit	Family Size (# of persons)							
	1	2	3	4	5	6	7	8
	\$54,850	\$62,650	\$70,500	\$78,300	\$84,600	\$90,850	\$97,100	\$103,400

A project can meet the national objective of benefit to low- and moderate-income persons in one of the following ways:

1. **Income Certification** (24 CFR 570.208(a)(2)(i)(B)&(C)). A project which will certify the family size and income of its clients. Certification includes the collection of third party verification of income such as pay stubs. Self-certification is not an option.

Projects which serve large numbers of clients (e.g. health care or community centers) will most likely find it impractical to individually certify their clients' incomes.

For certain activities such as housing and microenterprise assistance, income certification is the only way to document compliance with national objective.

NOTE: for housing activities only, a person's low- and moderate-income status is based on household, not family, income.

2. **Area Benefit** (24 CFR 570.208(a)(1)(i)). A project will serve a designated geographic area on Oahu that has been determined to be a "low-moderate income area," i.e., a residential area in



which at least 51% of the residents are of low- and moderate- income. The project must be available to all residents of the area.

An example of an area benefit activity is a community center located on the Waianae Coast. The Waianae Coast has been determined to be a low- and moderate-income community through census data and the community center is designed to serve the general population.

For help in determining the low- and moderate-income percentage for a particular area, visit <http://www.hud.gov/offices/cpd/systems/census/hi/> which has estimates of the low- and moderate-income percentage for each census block group.

3. Presumed Benefit Clientele (24 CFR 570.208(a)(2)(i)(A)). A project that will serve a limited clientele who are presumed to be of low- and moderate-income. The following is an inclusive list of presumed low-mod persons. Only the persons on this list are presumed to be of low- and moderate-income.

- abused children
- battered spouses
- elderly persons (62+)
- homeless persons
- illiterate adults
- persons living with AIDS
- migrant farm workers
- adults meeting the Bureau of the Census' Current Population Reports definition of "severely disabled,"

Agencies must serve only these clients and document their clients' status as a member of the target group (e.g. a project that serves elderly persons will need to document age eligibility through birth certificates or State IDs).

In addition to the above, the City may make a determination that a project benefits low- and moderate-income persons based on its nature and location (24 CFR 570.208(a)(2)(i)(D)). This classification is limited to projects that are of such nature AND in such location that it can be concluded that it will serve low- and moderate-income persons. An example of a nature and location project would be a day care center located next to and designed to serve residents of a public housing complex.

NOTE: benefits to low- and moderate-income persons must be direct. Costs which are attributable to the administration of the agency or the project must be limited to less than 7% of total costs. For example, in a CDBG-funded facility, space for administrative personnel and services must be less than or equal to 7% of the total funded area.

AID IN THE PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT. CDBG funds to eliminate specific conditions of blight or deterioration may only be used for the following activities: 1) acquisition; 2) clearance; 3) historic preservation; or 4) rehabilitation of building but only to the extent necessary to eliminate specific conditions detrimental to public health (24 CFR 570.208(b)(2)).

Applicants are advised that while a slum/blight activity is eligible for CDBG funds, unless it meets a Consolidated Plan goal (p. 8), it is unlikely that the project will be funded.

## **ADDITIONAL REQUIREMENTS, REGULATIONS AND PROJECT ISSUES**

All CDBG-assisted projects must comply with all applicable City and CDBG rules and regulations. Agencies are required to certify their willingness and ability to comply as part of the CDBG application.

In addition, nonprofit agencies awarded CDBG funds will be subject to an agreement between the City and the agency. Acquisition projects will be further subject to guidelines on use and management.

The following is a summary of the major rules and regulations which apply to CDBG-assisted projects and their potential impact on projects. Agencies are advised to review the rules and regulations carefully to determine the effect on the feasibility or cost of the proposed project.

**NON-DISCRIMINATION.** CDBG-assisted projects must serve all persons without regard to race, color, national origin, religion, or sex. Agencies must actively market their projects and reach out to all persons, especially those persons who, for various reasons, are least likely to apply for the services of their projects. Special needs projects (e.g., homeless transitional housing or abused spouse shelters) are not exempt.

Applicants are reminded that projects that target a particular ethnic group or gender, even if the group has a history of being discriminated against, will not be eligible for CDBG funding. For example, a project that provided legal services only to Micronesians or an after-school program for girls would be ineligible for funding.

CDBG funds may assist projects on lands set aside under the Hawaiian Homes Commission Act; provided that such projects may not restrict their beneficiaries solely to persons of the Hawaiian race.

NOTE: In its sole discretion, and based solely upon the project descriptions and other materials that the Agency provides as part of its funding application, the City may disqualify projects that appear to violate these regulations.

**PROGRAM COMPLIANCE (NATIONAL OBJECTIVE PERIOD).** For an acquisition project which meets the national objective of benefiting low- and moderate-income persons, the City will require an agency to continue to comply with certain CDBG program requirements for a minimum of five years beyond the completion of the project's scope of work.

The program requirements that an agency will continue to be subject to include, but are not limited to:

- restriction on the use of the facility;
- documentation of benefit to low- and moderate-income persons;
- reporting and transmittal of rental income and sale proceeds;
- insurance; and
- non-discrimination.

Agencies will be required to submit reports, as evidence of compliance with any or all the rules and regulations of the CDBG Program, and shall maintain all records with respect to all matters covered by CDBG funds.

A funded agency is required to make its facility, books, and records available to project monitoring and inspection by the City, HUD, and the Comptroller General of the United States and/or their representatives throughout the contract period and any required compliance period.

The compliance period does not start until the City has determined that the agency is in compliance with its agreement and is providing services to its intended beneficiaries.

Based on the total amount of CDBG funds expended on the project, the City may require an extended City compliance period during which the project must continue to be used to benefit low- and moderate-income persons, as follows:

CDBG AWARD	CITY COMPLIANCE PERIOD
\$100,000 - \$499,999	5 additional years
\$500,000 - \$999,999	10 additional years
\$1,000,000+	15 additional years

Please note if at any time during the compliance period, the property is not being used to meet a CDBG national objective, the City may choose to extend the compliance period or ask the agency to reimburse the City for the fair market value of the property less any portion of the value attributable to non-CDBG expenditures.

**PARTIALLY FUNDED, WHOLLY COMPLIANT.** The entire area of a facility that is even partially funded with CDBG funds must be wholly used to achieve the facility's CDBG national objective for the duration of the National Objective Period described above. Exceptions may be made only if the City and Agency agree in writing beforehand at the time of contract execution to fund only a designated part of the facility and subject only that designated part to CDBG regulation.

**INCOME GENERATED FROM PROJECT PAID TO CITY.** Agencies are required to transmit to the City, its proportional share of any gross income that is generated from the use of CDBG funds. Such income includes proceeds from the sale or long-term lease of the property and rental income less costs related to the maintenance and operation of the building.

An agency cannot use the CDBG share of rental income to pay for its program delivery costs.

Additionally, all occupants of CDBG-assisted facilities, including renters, must meet the project's national objective.

**INSURANCE.** The City requires non-profit agencies to have the following minimum insurance coverages for CDBG-assisted activities:

- Workers Compensation and Employers Liability Insurance (\$1,000,000);
- Commercial General and Umbrella Liability (\$1,000,000)
- Business Automobile and Umbrella Liability (\$1,000,000)
- Property Insurance, if applicable
- Flood Insurance, if applicable

Where appropriate given the nature of the project or activity, the City may require higher coverages. Non-profit agencies will need to provide proof of insurance before the City will execute a CDBG agreement.

**OLDER BUILDINGS.** Older buildings are subject to program rules which may significantly impact project implementation and costs. The two major compliance areas are:

- Historic Preservation - projects which involve buildings that are on or eligible for inclusion on historic registers or are over fifty years old are subject to the review of and concurrence from the State Historic Preservation Officer. The state office may dictate the design and construction of

the project which may significantly add to project costs and the time it takes to complete the project.

- **Lead-Based Paint.** In general, a project that involves the renovation of a residential structure or child-occupied facility that was built before 1978 must comply with the regulations on the evaluation, control or elimination of lead-based paint hazard. Compliance may increase costs and project completion time.

**RELOCATION.** Projects which involve the permanent or temporary relocation of existing tenants are subject to federal regulations concerning the notification and assistance of tenants. The rules apply to all relocations even displacements of just a few days. Agencies will be responsible for paying relocation costs which could include moving costs and cost of the replacement dwelling. Depending on the number of entities being relocated, this requirement can substantially increase project costs.

**ENVIRONMENTAL REVIEW PROCESS.** Acquisition projects which will change the use of the building or involve new construction will be subject to an extensive federal environmental review process known as an environmental assessment (EA) which may take over six months to complete.

Since CDBG funds will not be available for use until the process is completed, unless an EA has already been completed, such projects which will require an EA will not be eligible for CDBG funding under this RFP.

If you are unsure of the level of environmental review, please call the City at 786-7748.

## GOALS AND PRIORITIES OF CITY AND COUNTY OF HONOLULU

**CONSOLIDATED PLAN GOALS.** Every five years, the City develops a Consolidated Plan to guide the distribution and administration of CDBG funds. In mid-2009, the City published its Consolidated Plan for the fiscal years 2011 – 2015 (2015 ConPlan). The 2015 ConPlan included goals that the City expected to achieve over the next five fiscal years. The goals were based on formal housing studies and plans and the solicitation of community input through written and oral testimony at public hearings and consultation meetings.

Projects should address at least one ConPlan goal. Projects which do not meet a ConPlan goal will be unlikely to receive funding.

CODE	OBJECTIVE (LMI = low- and moderate-income)
HO1	Affordable homes for sale
RH1	Development of new and preservation of existing affordable and special needs rental housing
PF1	Acquire, construct or renovate a building to benefit LMI persons by providing services for seniors or persons with disabilities; by providing health care including mental health and substance abuse treatment; by providing childcare or activities for youth; or by providing services to persons in need.
PF4	Acquire, construct, replace, or renovate city-owned facilities and infrastructure to benefit LMI communities
ED1	Preserve and stimulate economic development projects.

*ConPlan goals not applicable to CDBG funds are not listed. A complete list of ConPlan goals is included in the City and County of Honolulu 2011 – 2015 Consolidated Plan available at <http://www1.honolulu.gov/budget/cdbg.htm>*

**CITY COUNCIL PRIORITIES.** In January 2012, through Resolution 12-11, the Honolulu City Council established priorities for the use of CDBG funds.

**1<sup>ST</sup> PRIORITY – NEIGHBORHOOD REVITALIZATION STRATEGY AREAS.** “...shall be used for projects in Neighborhood Revitalization Strategy Areas (NRSAs). Programs undertaken in NRSAs include infrastructure improvements, public facilities, social services programs, economic development activities and rehabilitation of existing housing.”

**2<sup>ND</sup> PRIORITY – PUBLIC FACILITIES.** “...construct or renovate service facilities that support the health and human service needs of Oahu residents, primarily low- and moderate-income individuals that include but are not limited to homeless facilities, senior facilities, facilities for persons with special needs and/or disabilities, health centers, substance abuse centers, and children and/or youth centers.”

**3<sup>RD</sup> PRIORITY – COMMUNITY / ECONOMIC DEVELOPMENT.** “...support the leveraging of limited city resources that bring about sustainable improvement in the well-being and quality of life of local communities, especially low- to moderate-income areas. Projects could include but are not limited to the creation, development and empowerment of community based organizations, providing planning, organizational support, and technical assistance to organizations, supporting financial literacy programs and services, and supporting micro-enterprise and business training.”

**4<sup>TH</sup> PRIORITY – INFRASTRUCTURE.** “...for projects and facilities that improve the quality of life for all residents of Oahu, with specific attention given to those living in low- to moderate-income areas. Projects may include, but are not limited to infrastructure projects such as sewer, water, street, flood drain, and sidewalk improvements, public safety facilities improvements, Americans with Disabilities (“ADA”) required improvements, and miscellaneous repairs to extend the life of recreational facilities and resources...”

Council priorities will be considered in allocating CDBG funds under this RFP.

<b>SUBMISSION GUIDELINES</b>
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Agencies must submit their completed applications to the Division of Purchasing by Friday, January \_\_\_\_\_, 2014 at 4:00 p.m.

The Division of Purchasing is located at:

Department of Budget and Fiscal Services  
Division of Purchasing  
530 South King Street, Room 115  
Honolulu, Hawaii 96813

Applications that are not received by the submission deadline, as evidenced by a valid Division of Purchasing date and time stamp, will not be considered for funding under this RFP.

Agencies are responsible for ensuring that their applications are date and time stamped by the Division of Purchasing by the submission deadline.

**NUMBER OF APPLICATIONS.** There is no limit on the number of applications that an agency may submit.

Agencies may submit multiple applications for different projects or multiple applications for one project, as long as each application addresses a different activity within the one project.

**APPLICATION COPIES.** Each project needs its own application. For each application, all Agencies must submit:

1) Hard Copies of Application (3 total)

- One (1) original application including all required attachments
- + Two (2) hard copies of the funding application including attachments;

Each of the hard copies should be in a legal-sized press-board file folder, two-hole punched at the top and secured with a 2" prong. Do not submit funding applications in 3-ring binders. Label the folder "original" or "copy," as appropriate

2) Electronic Version of Application (include with original application)

One (1) compact disk or flash/thumb drive that contains a copy of the application in the format provided for by the City (i.e. *Microsoft Word* or *Excel* formats). Additional materials such as attachments should be scanned onto the disk/drive as PDF files. Submit each attachment as a separate file. Do not combine and submit all attachments as one large PDF file.

**DISQUALIFICATION OF APPLICATIONS.** All applications must be substantially complete in themselves and provide all the information reasonably necessary for the City to make an informed decision about the application.

In its sole and absolute discretion and without consulting the applicant:

- The City may disqualify an application because it lacks a required attachment.
- The City may disqualify an application whose project does not comply with applicable City regulations, plans, guidelines, or policies, or with State or Federal laws or regulations, or with the CDBG program regulations and guidelines.
- The City will disqualify the application of any applicant that misrepresents information about the applicant or the proposed project or program. In addition, the applicant may be either suspended or barred from submitting future CDBG applications, depending on the severity of the misrepresentation(s).
- The City may disqualify an application based solely upon the information that is provided in it.
- The City may disqualify an application that does not provide sufficient information necessary for the City to make an informed decision about a proposed project or program.
- The City may disqualify an application for any other reason related to the completeness or incompleteness of the application.
- The City may disqualify an application if the City judges that the proposed project or program as presented in the application cannot be implemented within a reasonable period of time due to lack of site control, lack of financing commitments, or other factors as determined by the City.

The phrase "disqualify an application" means remove an application from the RFP process and consideration for an award.

When in the best interests of the City, as determined by the City in its sole and absolute discretion, the City may request an applicant to promptly clarify or supplement its application with additional information, and may defer a decision on accepting or disqualifying the application pending timely receipt thereof.

**MODIFICATIONS TO APPLICATIONS AFTER THE SUBMISSION DEADLINE.** After the submission deadline, only modifications to applications that are specifically requested by the City in writing and submitted by the Agency in writing shall be accepted. All other modifications shall be returned to the Agency.

**CONFIDENTIALITY OF THE APPLICATION.** Upon completion of the award process applications and attachments will generally be subject to public inspection and copying as government records. The applicant Agency should clearly label and segregate from the rest of the application any information concerning which it may wish to assert legal protections, such as: (1) proprietary information; (2) confidential business information, disclosure of which would lead to substantial competitive harm; or (3) information that significantly impacts the privacy interest of an individual. The City does not guarantee or agree to protect the confidentiality of any information submitted.

**REQUESTS FOR TECHNICAL ASSISTANCE.** Agencies may ask questions about this RFP and the CDBG program by sending email to [jyokota@honolulu.gov](mailto:jyokota@honolulu.gov) or by calling 768-7748. Questions must be submitted no later than Friday, \_\_\_\_\_.

## PROJECT SCREENING AND EVALUATION

**INITIAL SCREENING OF PROJECTS.** The City will initially review applications for compliance with the submission requirements stated in this RFP and project compliance with applicable rules or regulations.

**EVALUATION AND SELECTION OF PROJECTS.** Following the initial screening process, an Evaluation Panel, organized by the City whose membership will be comprised of members of the City administration will evaluate projects and use its best judgment to recommend projects that will provide maximum benefit to the City. In recommending projects for award, the Evaluation Panel may consider how proposed projects implement the City's Consolidated Plan, Action Plans, General Plan, City Council resolutions, and other planning and policy documents.

If, during the evaluation and selection process, it becomes apparent that an application that has passed initial screening does not conform to the requirements of the RFP, the City may disqualify the application.

The Evaluation Panel will use the following Evaluation Criteria as a basis for recommending projects:

EVALUATION CRITERIA		
Max points	Area	Scoring Criteria
40	Benefits to low- and moderate-income families	<p>Population Served - targeted community and population that will be the focus of the project, including numbers served and demographic characteristics.</p> <p>Community Needs - supported by detailed and referenced current statistics; and documented from the perspective of the population in need not only from the perspective of the agency.</p> <p>Goals and Objectives – clearly defined, reasonable and consistent with community need. Objectives are achievable and consistent with the</p>

<b>EVALUATION CRITERIA</b>		
Max points	Area	Scoring Criteria
		scope of the project.
100	Readiness to Proceed / Complete Project	<p>Readiness to Proceed - acquisition will be completed by April 2014.</p> <p>Completeness of Funding – amount of unsecured additional funds needed to complete/start the project.</p> <p>Expenditure Schedule – project's proposed timely expenditure of funds including City's determination on the reasonableness of schedule.</p>
30	Organizational Capacity	<p>Prior Experience with City Administered/Federally Funded Projects (HUD and non-HUD projects) – performance implementing projects. Factors that will be considered include compliance with program requirements and timeliness of reports, expenditures and project completion.</p> <p>Project Management – project fits into the agency's organizational structure and key project staff has the necessary skills and/or experience to successfully complete the project. .</p>
30	Financial Management	<p>Budget – estimates and costs are reasonable and well supported or justified.</p> <p>Financial Reports – factors will include the type (e.g. audit v. compilation) and contents of report (e.g. findings will reflect negatively on the score).</p>

Projects that receive the highest evaluation scores will be recommended for CDBG funding. The City will also compile a list of alternate projects which shall receive CDBG awards in the event more funds become available. The list of alternate projects may also be used to make awards if, for any reason, a selected project cannot or does not proceed.

THE FOREGOING SCREENING AND EVALUATION PROCESS IS SUBJECT TO MODIFICATION IF PENDING CITY COUNCIL RESOLUTION 13-251, CD1 IS ADOPTED AND HUD ACCEPTS AMENDMENT OF THE CITY'S CONSOLIDATED PLAN AS PROPOSED THEREIN. PURSUANT TO THAT RESOLUTION THE COUNCIL RESERVES THE RIGHT TO CHOOSE THE PROJECT OR PROJECTS RECOMMENDED FOR FUNDING WITH THE REDIRECTED FUNDS.

## **FREQUENTLY ASKED QUESTIONS**

### GENERAL QUESTIONS

Q1: What can I do to ensure that my application is not disqualified?

The most common reasons for disqualification include:

- Failure to meet the submission deadline,
- Failure to submit required documents,
- Failure to meet a national objective, and
- Violation of non-discrimination regulations.



In other words, you should submit a complete application, by the deadline, after carefully reviewing the program requirements to confirm the eligibility of the proposed project activities.

Q2: What's a Certificate of Vendor Compliance and where can I get a copy?

The Certificate of Vendor Compliance is a single printable electronic certificate issued by the State of Hawaii that may be substituted for a tax clearance and labor certificate.

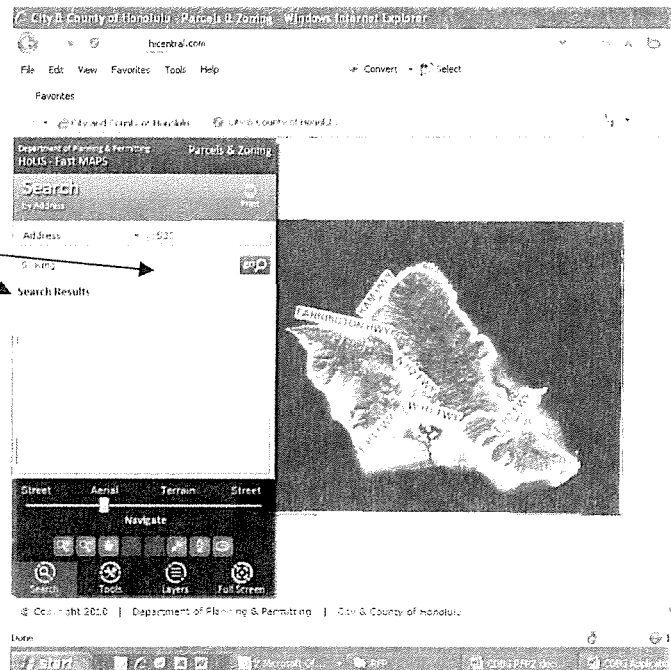
For more information about the Certificate of Vendor Compliance, please visit <https://vendors.ehawaii.gov/hce/splash/welcome.html>

Q3: How do I get a copy of the parcel information and zoning detail for my project location?

Go to <http://gis.hicentral.com/FastMaps/ParcelZoning/> and take the following steps.

Input the street name and number and press "go" (orange button).

NOTE: if a street address is not available, use the pull down menu to select TMK, place of interest or cross street



Once the parcel is found, select "property report"



Print page, attach to application and use as a reference when completing the site information section.

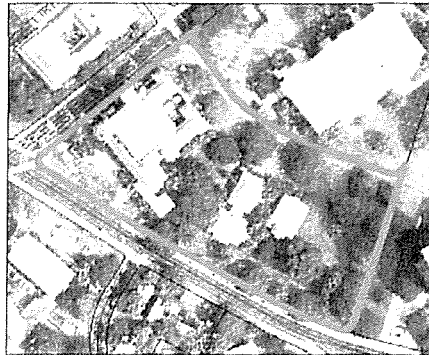
City & County of Honolulu  
Department of Planning & Permitting (DPP)  
Property Information

550 A S KING ST

Monday, July 12, 2010 12:39 PM

General Information

TRAK 210330070000  
Building Value \$5,890,700.00  
Building Exemption \$5,890,700.00  
Land Value \$7,427,700.00  
Land Exempt \$5,890,700.00  
Area 0  
Square Feet 31,474  
Property Tax Class Commercial  
City Honolulu  
Zip Code 96813  
Realtor Neighborhood CITY HALL  
Site Address 550 A S KING ST  
Site Address 550 A S KING ST  
Site Address 550 A S KING ST  
Site Address 550 A S KING ST



Tax Bill Owner Information

Name	Type	Address	Address 2	City/State/Zip
CITY AND COUNTY OF HONOLULU	Tax Owner			

2000 Census Information

Tract Number 003900 1003900  
Block Number 1000 1001  
Population (Block) 0 0

Voting Information

City Council Member Rod Tam  
Felling Place Hickmley High Sch  
Address 1039 S King St  
Heightened Board DOWN TOWN

School and Transit Information

Elementary School Royal  
High School HICKMLEY  
Near Bus Route Yes

Zoning and Flood Information

Zoning (LUC) Designation B-2  
Other Zoning Designation Ineligible  
FEMA Flood Designation  
Tsunami Evacuation Zone 1A

Select zone info to go to zone summary page

Print page, attach to application and use as a reference when completing the site information section.

Q4: Does the City have a sample procurement policy request?

A copy of the City's sample procurement policy is below:

<p align="center"><u>Nonprofit Corporation</u>  <u>Procurement Policy and Procedure (FOR USE OF CDBG FUNDS)</u></p>		<p>2. Purchase of items or contracts having a value of <u>\$1,000 or less than \$2,000</u></p> <p>a. At least 3 written quotations or proposals</p> <p>b. Records describing the items or services sought, an evaluation and cost analysis justifying the recommendation of the approving officer of the Corporation</p>
<p><u>Purpose</u>          It shall be the policy of the <u>Nonprofit Corporation ("Corporation")</u> to conduct procurement of the goods and services necessary to carry out its operations in a manner that is cost-efficient and to the maximum extent practical, allows for free and open competition.</p> <p><u>Scope</u>          The requirements of this policy and procedure shall be fully applicable to all directors, officers, employees and agents of the Corporation.</p> <p><u>Standards of Conduct</u></p> <p>A. No director, officer, employee or agent of the Corporation shall participate in the selection, award or administration of a contract where, to his knowledge, he or his immediate family, partners, or organization in which he or his immediate family or partners have a financial interest, or with whom he is negotiating or has any arrangement concerning prospective employment. No director, officer, employee, or agent shall either solicit or accept gratuities, favors or anything of monetary value from contractor or potential contractors.</p> <p>B. Failure to comply with the Standards of Conduct or the requirements of this Policy and Procedure may result in disciplinary action which may include termination.</p>		<p>3. Purchases of items or contracts having a value of <u>\$2,000 to less than \$25,000</u></p> <p>a. At least 3 written proposals</p> <p>b. Records describing the items or services sought, an evaluation and cost analysis justifying the recommendation of the approving officer of the Corporation</p>
<p><u>Procurement</u></p> <p>A. Approval of Purchases and Contracts</p> <p>As means of avoiding unnecessary or duplicative purchases of goods and services, processing and approval shall be centralized and made the responsibility of <u>question or authority</u>, subject to the following limitation:</p> <p>1. The <u>question or authority</u> shall be fully authorized to approve purchases of goods and services having a value of <u>\$1,000 or less</u>.</p> <p>2. Purchases and contracts having a value of <u>less than \$10,000</u> shall require the concurrence and signature of an officer or officers of the Corporation designated by the Board of Directors.</p> <p>3. Purchases and contracts having a value of <u>\$10,000 or more</u> requires the approval of the Board of Directors.</p> <p>B. Competitive Process Requirements</p> <p>1. Purchase of items having a value of <u>less than \$1,000</u></p> <p>None</p>		<p>4. Purchases or contracts having a value of <u>\$25,000 or more</u></p> <p>a. Public solicitation of bid proposals published in a major daily newspaper in Honolulu specifying that:</p> <p>1) Complete bid proposals must be submitted on or before the date and time specified for bid opening</p> <p>2) The Corporation reserves the right to reject any or all bids when it is in its best interest to do so</p> <p>b. Record shall be maintained showing:</p> <p>1) The basis upon which a contractor was selected. This is particularly important when award is made to a contractor whose bid price was not the lowest offered.</p> <p>2) The basis for the award cost or price</p>
<p><u>Integrity</u></p> <p>Records of cost performance, financial and technical resources or accessibility to other necessary resources</p> <p>C. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and most advantageous to the Corporation. Price and other factors considered.</p> <p>D. Positive effort shall be made to utilize small and minority owned businesses as sources of supplies and services.</p> <p>E. All contractual agreements must be appropriate to the type of item or service being procured and promote the best interests of the Corporation. "Cost-plus-a-percentage-of-cost" contracts shall not be used.</p> <p>F. All purchases shall be verified to ensure that the type, quantity and quality of the items are as specified. Services provided by contract shall be carefully monitored to ensure that all terms and conditions are met and that the quantity and quality of the services are performed as specified.</p>		<p>V. <u>General Requirements</u></p> <p>A. Whenever bids or proposals are solicited, a clear and accurate description of the technical requirements of the items or services required shall be provided whether verbally or in written form as specified herein. Such description shall not contain features which unilaterally restrict competition. "Brand names" or equal descriptions may be used as a means to define the performance or other salient requirements of the items being sought.</p> <p>B. Contracts shall only be made with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed contract. Consideration shall be given to such matters as contractor</p>
<p><u>VI. Applicability of Federal Requirements</u></p> <p>This policy and procedure is intended to comply with all requirements of 24 Code of Federal Regulations (CFR) Part 84 (Office of Management and Budget Circular A-110, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations - Revised Interim and Final Rule effective October 13, 1944 - Subpart C, Post-Award Requirements Procurement Standards); that the regulations at 24 CFR Part 84 shall be consulted when questions arise as to the application of the requirements herein.</p> <p>Further, 24 CFR Part 84 specifies additional requirements pertaining to contractual agreements that shall be, as applicable, attached to and/or incorporated in all such documents.</p>		

ADOPTED BY THE NONPROFIT CORPORATION

At a meeting held on \_\_\_\_\_

BY \_\_\_\_\_  
 its President

## FUNDING REQUESTS / PROJECT COSTS

Q5: What is the maximum amount I can request?

\$14.5 million (\$8 million in CDBG funds and \$6.5 million in AHF funds). Since the funds awarded under this RFP need to be spent as soon as possible, large scale projects are encouraged to apply for as much funds are needed, up to the maximum amount, to make their project shovel ready.

Q6: Do you provide multi-year funding?

No. Funding requests are only applicable to this RFP and all funds should be spent before the end of 2015.

Q7: Our agency has a federal negotiated indirect cost rate. May I use the rate in preparing the project budget?

No. The City does not allow indirect cost rates to be used for CDBG projects.

Q8: What if only part of my project or only some of the costs are determined to be eligible? Will my whole application be rejected?

No, provided that there is sufficient detail in the budget to determine the eligible parts and costs of the project.

Q9: What percentage of CDBG funds will be awarded for public services?

0%. No public service funds will be awarded under this RFP..

## PROJECT SELECTION

Q10: I applied last year, but wasn't selected. What can I do to improve my chances of being funded this year?

It is difficult to single out the reason why a project was not selected for funding. In general, your agency and your project must score high in all categories listed in the evaluation criteria. Your application must be complete and provide all the information that is necessary to make informed decisions about it. Answer all the questions. Provide all the attachments.

## ELIGIBILITY OF ACTIVITIES

Q11: Does housing need to be developed in a certain area?

No. Eligible housing can be acquired or developed anywhere on Oahu as long as the housing benefits low or moderate-income residents. While there are certain lower-income areas on Oahu (e.g., the Waianae Coast or Chinatown), no special benefits accrue to the developers or to the housing in those areas.

Q12: Regarding the various ways to meet the national objective of benefiting low- and moderate- income persons, can half the funding being requested be for "area benefit" clients and the other half

requires “income certification”? Or some other combination? Or does a project need to pick just one way of meeting the objective?

When determined appropriate and reasonable by the City, a project consisting of no more than two distinct and comprehensive services or activities that meet different national objectives may be considered for funding. If all beneficiaries are receiving the same services, only one national objective is allowed. However, the applicant could submit one proposal as an area benefit project; and another proposal for the same services as a low-moderate clientele project.

Q13: Our agency provides services to a presumed benefit group. Do we need to exclusively serve this group?

Agencies who utilize the presumed benefit clientele national objective must serve only these clients and be able to document their clients presumed benefit status. If your agency serves other than a presumed benefit clientele, documentation of a client’s eligibility for services based on family income would be required.

### NEIGHBORHOOD REVITALIZATION STRATEGY AREAS (NRSAs)

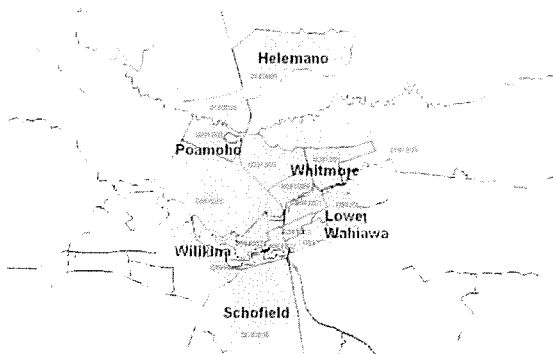
Q14: What’s a NRSA?

A Neighborhood Revitalization Strategy Area (NRSA) is a U.S. Department of Housing and Urban Development (HUD) designation given to an area where there is a demonstrated commitment by residents, property owners, small businesses, and other community stakeholders to forge partnerships that will help revitalize their neighborhood by making it more attractive for economic (re)investment and fostering the growth of resident-based initiatives to identify / address their housing, economic and human service needs.

Q15: Where are the NRSAs on Oahu?

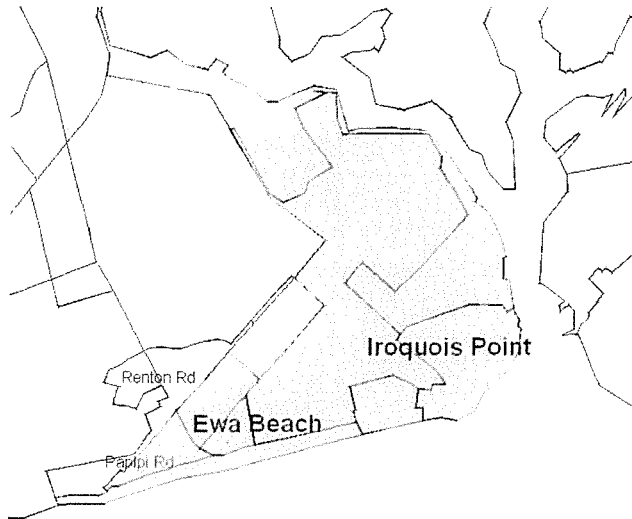
There are currently two HUD approved NRSAs: Wahiawa and Ewa Beach.

The **WAHIAWA NRSA** includes Wahiawa, Whitmore, Poamoho, Helemano and Schofield.



Census Tract	Block Groups
150030090	9
150030091	1, 2, 9
150030092	3
150030093	1, 2, 3
150030094	1, 2
150030095.04	9
150030100	9

The **EWA BEACH NRSA** includes most of Ewa Beach and Iroquois Point.



Census Tract	Block Groups
150030083.01	1, 9
150030083.02	2, 3
150030084.02	2, 3

Q16: What projects will be considered eligible for the 20% NRSA set aside?

In 2012, the City and County of Honolulu's City Council passed Resolution 12-11 which established a minimum funding level of at least 20% of all CDBG funds for projects undertaken in NRSAs. For acquisition or construction projects, the project site must be located in a NRSA.

## DISCLAIMERS

All awards of funds are subject to:

- The adoption of an amendment to the City's Consolidated Plan that will allow the City to reallocate existing CDBG funding commitments to a future program year and to allow greater flexibility in the manner of selecting projects for funding.
- The adoption of a Resolution by the Honolulu City Council to reprogram CDBG funds appropriated in prior fiscal years to the current fiscal year.
- Decisions made by the City, in its sole and absolute discretion, whether to select a project for an award;
- Decisions made by the City, in its sole and absolute discretion, as to the amount of any award to any specific project, regardless of the amount of funds that an Agency applied for;
- The appropriation by the Honolulu City Council of CDBG funds for the proposed projects;
- The execution of individual agreements between the City and the Agencies that have been awarded CDBG funds. These may include Subrecipient Agreements, Use Restriction Agreements, Mortgages and/or other agreements intended to insure compliance and protection of the City.

THE CITY RESERVES THE RIGHT TO REJECT ANY APPLICATIONS, OR ALL OF THEM, IN WHOLE OR IN PART, OR REQUIRE AMENDMENTS TO THEM IF THE GUIDELINES, REQUIREMENTS, AND/OR ELIGIBILITY CRITERIA SET FORTH IN THIS REQUEST FOR PROPOSALS ARE NOT MET. THE CITY ALSO RESERVES THE RIGHT TO AMEND OR SUPPLEMENT REQUIREMENTS AND MATERIALS, AND WILL INFORM APPLICANTS OF SUCH CHANGES PRIOR TO THE SUBMISSION DATE. THE CITY RESERVES THE RIGHT TO INCORPORATE OR NOT INCORPORATE ANY SUBMISSIONS IN RESPONSE TO THIS RFP INTO THE CITY'S OWN APPLICATION FOR FEDERAL FUNDING. THE CITY RESERVES THE RIGHT TO AT ANY TIME IN ITS SOLE AND ABSOLUTE DISCRETION WITHDRAW THIS RFP AND HEREBY GIVES NOTICE THAT, IF FOR ANY REASON, FUNDING IS NOT MADE AVAILABLE OR BECOMES UNAVAILABLE, THE CITY WILL WITHDRAW THIS RFP.

BY SUBMITTING AN APPLICATION, APPLICANTS EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE CITY SHALL BEAR NO LIABILITY OR OBLIGATION BASED ON THIS RFP, AND THE CITY MAY EXERCISE ANY OF THE FOREGOING RIGHTS IN ITS SOLE AND ABSOLUTE DISCRETION.